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Chair

Mr. Pierre-Luc Dusseault

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•(0845)

[Translation]

The Chair (Mr. Pierre-Luc Dusseault (Sherbrooke, NDP)): Good morning.

Let us start the 35th meeting of the Standing Committee on Government Operations and Estimates right away.

Today, we are fortunate to have with us Mr. Matthews, the Comptroller General of Canada, and Marcia Santiago, Executive Director, Expenditure Management Sector. They are joining us for our study of the supplementary estimates (B) and for the study of the departmental performance reports for 2013-2014.

As usual, I will first let Mr. Matthews make his presentation and then committee members will be able to ask questions on the two points in our agenda.

My sincere thanks to Mr. Matthews for joining us today. He has the floor for 10 to 15 minutes.

Mr. Matthews, the floor is yours.

Mr. Bill Matthews (Comptroller General of Canada, Office of the Comptroller General of Canada): Thank you very much, Mr. Chair.

Good morning to all the members of the committee.

We are pleased to be here with you today to discuss the supplementary estimates (B) 2014-2015. As usual, we have prepared a short presentation to give you an overview of the supplementary estimates (B). As you mentioned, Mr. Chair, I am accompanied by my colleague Marcia Santiago, who is well known to members of the committee.

[English]

I would also like to alert the committee members that I have changed jobs. I am now the Comptroller General of Canada, but I am here for the last time in my old role. Mr. Brian Pagan is with us this morning, and he is replacing me in my old role. He is on day four in the job, though, so he is just here to observe today. The next time around you will be very well served by Mr. Pagan, and Marcia Santiago will be here as well. I just thought I would highlight that for the committee members before we start.

I do hope all members have received a copy of the presentation. The goal here is to give you a quick summary of what's in the supplementary estimates (B), and hopefully give you some information to allow you to focus your questions.

I do note, Mr. Chairman, that we have two members I haven't seen here before. I do know that estimates are a little complicated, so if there are questions about how estimates work, we're happy to take those as well, or questions on any of the content we have here.

If I could start on slide 3, this is just a reminder on the organization of the estimates documents themselves. They start with an introduction. In that introduction, starting on page 10 of section 1, you'll get a sense of the current year authorities of each department, but you'll also get a sense of the previous year's authorities and what they spent in the previous year. If you're actually looking for a quick summary of the estimates, that's a very good place to start. You'll get a department-by-department list.

In that introduction section you will also find the largest items that will be voted on in the supplementary estimates—so that's a good place to look as well—and any structural changes that are in the estimates. In these supplementary estimates (B) we have some structural changes around the administrative tribunal support services.

Last, the thing I will highlight for you in that introductory section is a listing of the horizontal initiatives. Horizontal initiatives are any initiative where multiple departments are receiving money to jointly collaborate on delivery of something. Some of those you will have seen before, and some are new, but they are multiple department initiatives.

The second big section of the estimates document is the details by organization. That represents by far and away the largest section of the document. It is department by department, and outlines just what the new authorities are being granted for or being requested for. There are 63 organizations covered in these supplementary estimates (B). If you're wondering why it's not all departments, it's not like the main estimates where we do see all organizations. In the supplementary estimates we see only the organizations that are requesting new funds, so that's why we see only 63.

In the annex to the supplementary estimates (B) document you will actually find the proposed bill that will eventually be voted on to grant supply.

I'll remind you that online you can find additional information, including allocations of central votes, allocations by program, and other types of information that might be of interest to committee.

I'll note a quick reminder that on page 4 what we're looking at in these supplementary estimates (B) is \$2.9 billion in voted spending for 63 organizations. We also have \$327 million in statutory adjustments, which I will speak to in a few moments, for a total of \$3.2 billion, all budgetary.

I will highlight for members that in non-budgetary, we do have two \$1 items here where we're actually just changing vote wording or things like that.

I would remind members that non-budgetary items are things like loans, where if all goes as planned, there is no impact on the fiscal situation of the government. If you issue a loan and it is repaid, there is no impact. But all of the real dollars here are budgetary in nature.

On slide 5, we like to take a few moments to compare these supplementary estimates to previous ones in terms of totals, and to situate members in terms of where the spending is for the current fiscal year or where the authorities are at for the current fiscal year. Supplementary estimates (B) is always the biggest of the three supplementary estimates. You will notice that it is smaller than last year's supplementary estimates (B). If you're wondering why that is, last year's supplementary estimates (B) was unusually large. We had a few items in there concerning disaster financial assistance, as well as a Manuge settlement and another out-of-court settlement. This year we're returning back to a more normal level of supplementary estimates (B).

- (0850)

We've spoken about the overall trends at this committee before. The trend is that voted spending is going down. That's largely to do with some of the reductions that have been taking place. Statutory spending is going up and it is going up at a greater rate than voted spending.

If you're wondering what is driving the increases in statutory spending, it's the same story we have spoken about here before. Legislated increases to the Canada health transfer, as well as the old age security programs and the aging population are causing the statutory amounts to increase.

Again for new members, if you're looking for an explanation for voted versus statutory, we're happy to get into that.

I will just hit the highlights for you on the major voted items. They occur on slides 6 and 7. These 11 items listed here cover off roughly 60% of the voted spending in supplementary estimates (B), so it's the vast majority.

The two largest items belong to National Defence. The first item for \$652.2 million relates to maintenance dollars for the Chinook, as well as for the frigates, submarines, and armoured vehicles, in addition to some money for some training exercises in the Arctic as well as live fire exercises. The second item on this list is National Defence as well. That's the final payment related to the Manuge settlement. There is \$190 million in there. That represents \$50 million as a cost of living adjustment, which is the final piece, as well as \$140 million to replenish the reserve of the insurance company that had actually floated the funds.

Other things I should mention on this slide—I will not go through the whole list but I'm happy to take questions—are the Treasury

Board Secretariat compensation adjustments. These are transfers to departments and agencies for salary adjustments based on the last round of negotiations of \$151.7 million.

I'll highlight that for you because we haven't seen that large an amount here for quite some time because of the operating budget freeze that was in effect. Under the operating budget freeze, departments had to resource any salary increases out of their existing reference levels. The freeze was not in effect for the fiscal year 2013-14, so we are resourcing departments for any of the wage increases that were negotiated during that year. That comes into their reference levels for the current fiscal year.

There are a number of agreements in there, but basically \$112 million is for the core public service, and \$40 million is for separate agencies. The agreements there are everything from correctional officers to financial officers, ship repair—east and west—so there's quite a list in there.

I'll highlight VIA Rail for you, and the rebuilding and enhancing of passenger cars, tracks, and signalling systems.

On slide 7, I will highlight a couple of others for you.

At the top of the list is the Canadian Air Transport Security Authority. That's for implementation of enhanced non-passenger screening. This is for airport staff, airline staff, and baggage handlers, etc., to improve the screening of those types of people. There's money in there for that.

In the second item on this list we have nine organizations receiving funding for management and remediation of federal contaminated sites, which is an item we've talked about here before. There is \$80.2 million there.

Canadian Heritage is receiving some funding related to the Pan American and Parapan American Games. There is funding of \$65 million for three venues that are being constructed.

Parks Canada is receiving some funding for improvements to highways, bridges, and dams. I will highlight for you the Crowe Bay dam as well as the highway in Glacier National Park. There are other initiatives there as well.

On slides 8 and 9 are initiatives where multiple departments are receiving funding.

The first one, which we've already spoken about, is with regard to federal contaminated sites.

The second item on this list you have seen before, which is the first nations water and wastewater action plan. Both the Department of Health and the Department of Indian Affairs and Northern Development are receiving funds.

I'll skip down to Statistics Canada because there's a bit of a theme here. This is funding for Statistics Canada, which is the fourth one on the list, to develop and test the questions for the upcoming census in 2016. StatsCan is receiving money as is Shared Services Canada because it is receiving funds for the IT backbone that will go with the census.

• (0855)

You will see other items on this list where there are funds for Shared Services Canada for the IT component of something a department is delivering. On the next page, you will see funding for the CRA for tax measures. Shared Services Canada is getting some IT funding for that as well. Environment Canada is getting some funding for one of their computers. Shared Services Canada is getting some funding for that as well. That's a bit of an emerging theme.

On slide 9, I will highlight one horizontal item for you. Halfway down the page is the Canadian Food Inspection Agency's new preventive food safety program for fresh fruit and vegetables, as well as enhanced oversight of fish and seafood. This funding is largely because of the changing purchasing patterns of consumers—increased purchasing of packaged foods, new markets, more of a trend towards fresh fruit and vegetables, as well as some seafood products. So some new dollars have been added in here for a new program to oversee food safety.

Slide 10 is statutory expenditures. These are expenditures for which the finance department updates its forecast periodically. These expenditures are not voted on by Parliament as part of the estimates process, but we do provide the changes for information purposes. I'll highlight a couple of them for you here.

The payment to the International Development Association of \$441.6 million is a replacement for a program that we used to deliver through a demand note. Now we are providing funding up front with a cheque. These are loans to the poorest countries of the world that are given concessionary or low interest or zero interest terms. We are changing the way we deliver it. Rather than a demand note, we are flowing some funds directly.

The other two items I will highlight for you are the decreases on the bottom.

We've spoken about this before, the interest costs; this brings the forecast in line with the latest forecast from the Department of Finance. The decreased interest costs of \$329.7 million, this largely relates to changes in the forecast for the long-term interest rates which are continuing to be low.

The second one is a reduction in the forecast for disbursements to provinces under the softwood lumber agreement: \$80 million. That's worth noting because it brings the current year forecast down to zero. The forecast for those payments is very much tied to the health of the U.S. housing market. If the U.S. housing market is going well, lumber prices stay up, and payments here are reduced or nil. The forecast here based on the latest economic data is that there will be no payments required in the current fiscal year.

In summary, there are \$2.9 billion in budgetary voted expenditures for 63 organizations. Eventually, Parliament will be asked to vote on the appropriation bill.

I have one final plea before we get to questions. If your question does pertain to a specific page in the estimates document, and you can give us the page number so we can find the equivalent version in English or French to allow all members to follow along, that would be very much appreciated.

With that, Mr. Chair, we're happy to take questions.

• (0900)

[*Translation*]

The Chair: Thank you for your presentation, Mr. Matthews. I am sorry that this will be your last presentation to the committee, but I would like to take this opportunity to congratulate you on your appointment.

We look forward to welcoming your replacement.

Let us move directly to Mr. Ravnat, for five minutes.

Mr. Mathieu Ravnat (Pontiac, NDP): Thank you, Mr. Chair.

[*English*]

I'd also like to add my congratulations to you for being named Comptroller General. Good luck in the future in that role.

One of the fundamental ways that government has to report to parliamentarians is through this estimates process. I have to say that I'm rather disappointed with the level of detail that we've received, particularly with regard to the defence additions. We're talking about \$652 million, and it would seem that that's going to a number of things, including towards implementation of the Canada First defence strategy.

In a time of what is war, you would expect that maybe some of these estimates would be tied to current operations. Could you confirm whether or not any of that \$652 million will be used for operations in Iraq currently?

Mr. Bill Matthews: I'll give you a bit of background. If you think about the timing of supplementary estimates (B), these were largely put together before the decision was made for Canada to go and participate in the current initiative that's happening related to ISIS. So are there any direct dollars in here related to that operation? No. That being said, the way departments are funded, they do get a vote for operating expenses and a vote for capital expenses. If there is a need for National Defence to move funds around within those envelopes to support..., they are free to do so because they are controlled at a vote level.

To directly answer your question, is there any incremental funding specifically for that initiative in these estimates? No, there is not.

Mr. Mathieu Ravnat: Okay.

[*Translation*]

According to the estimates, the funds will mostly be used for incremental operational and sustainment requirements of Chinook 147 helicopters, fleet maintenance of submarines, frigates, aircraft, and so on.

I am wondering about the operational condition of each of Canada's four submarines. What is the connection between this amount and the maintenance of the submarine fleet?

Mr. Bill Matthews: Thank you for the question.

[*English*]

Again, it gets back to how National Defence and all departments operate the budget. They're given a bulk number for operating dollars and they're free to spend that amount, whether for submarine or for frigates. But we are very much into maintenance dollars here.

Concerning the condition of the submarines themselves, can I speak to whether we're going to get five more years? I can't speak to that. That's actually a better question for the Department of National Defence in terms of their plans.

You and members will be well aware that there have been significant investments over the years in those submarines to get them ready for seaworthiness. I believe there is one that is still being worked on significantly, and the other one, I believe, has been put out for some trial runs.

But it's best to ask those questions to National Defence itself.

[*Translation*]

Mr. Mathieu Ravignat: Okay.

Which part of the extra amount being requested will go to personnel training and support?

• (0905)

[*English*]

Mr. Bill Matthews: I don't know whether I have that breakdown specifically, but maybe my colleague has.

No, she hasn't.

It's a gross amount here. The priorities are Chinooks, frigates, armoured patrol vehicles, and then the two training exercises that I highlighted, although there is additional training in there as well, but I can't give you the split among the various initiatives.

[*Translation*]

Mr. Mathieu Ravignat: I imagine it is something we could ask you for.

Mr. Bill Matthews: Yes, if the committee is interested, we could certainly follow up on that with the department.

Mr. Mathieu Ravignat: I also saw that, in Veterans Affairs, 70% of the additional amount the government is requesting will go for advertising. There will be only \$1.9 million more for the funeral and burial program, to which accessibility is still a problem. I do not see the logic in that at all.

What are they going to advertise with 70% of the money they are asking for?

[*English*]

Mr. Bill Matthews: As the member has mentioned, there is funding in here for advertising related to Veterans Affairs. This funding will be targeted towards raising awareness of Veterans Affairs programs.

If you think about the way Veterans Affairs funding is organized, you will note that they basically get funding for grants and contributions, which includes the programs themselves to the vets, as well as funding for operational dollars. The spending on grants and contributions is very much driven by the benefits as well as the number of applicants you get for those benefits. These advertising dollars are aimed at raising awareness among the veterans of the programs that are available; that's the plan for those dollars.

[*Translation*]

The Chair: Thank you, Mr. Matthews and Mr. Ravignat.

The floor now goes to Mr. Trottier, for five minutes.

[*English*]

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Matthews, congratulations once again on your new role and all the fine work you've been doing over the years with the Treasury Board Secretariat.

You gave a very broad overview of spending within all of government, not just the Treasury Board Secretariat. As much as I'd like to plunge into some details, I just want to talk about the longer-term trend.

When we studied the estimates process a couple of years ago, we talked about its being effective for us to look at the longer-term trend rather than the quarter-by-quarter or even one-year results. At roughly the same time as the supplementary estimates (B) we have the departmental performance reports. I want to ask you some questions about the departmental performance reports, because we can look at the annual trend.

In the actual expenditures just within the Treasury Board Secretariat, we see some significant reductions in spending. In the categories of management frameworks, people management, expenditure management, and financial management, we see year-over-year decreases in each of the four categories.

Could you talk about some of the initiatives within the Treasury Board Secretariat to reduce those expenditures?

There's one item for which we see the costs increasing, but I'll ask you that question later.

Just in those four categories, why were the costs decreasing fairly significantly year over year?

Mr. Bill Matthews: For members who may have brought the departmental performance reports with them, and I don't know if they have, I think you're probably looking at page 8 of the DPR. You're right; we did provide the overview of the government as a whole and that's our primary role. Then we'll speak briefly to the Treasury Board Secretariat as a department, which is what the question pertains to.

The Treasury Board Secretariat is largely a policy shop offering advice and guidance in terms of things like financial management policy and people management policy. Those reductions are largely around consolidating some of the ways we offer policy advice. We've done some restructuring to streamline our policy advice function. There were some programs that were sunseting, so we had temporary funding that has dropped. Sunseting means that they ran their course and they were limited. That's the bulk of it.

The only other thing I should highlight for you—and you've touched on the major functions of the Treasury Board Secretariat; it is a funny department in that it also has these things called central votes, which are for government-wide purposes—and that's the second-last bit you'll see on that page. Those numbers are largely things like the payroll I mentioned and government-wide contingencies, and they can fluctuate from year to year. I don't get too fussed about the ups and downs in terms of those fundings because they are government-wide in nature.

You touched on the major themes. It's been across-the-board decisions to, as I mentioned, sunset funding that was winding down, as well as consolidating some of our processes to carry out our functions more efficiently.

• (0910)

Mr. Bernard Trottier: In the last item in the departmental performance report of government-wide funds and public service employer payments we saw an increase from \$2.19 billion in 2011-12 to \$2.5 billion in 2012-13. The actuals in 2013-14 were \$2.63 billion. Is that because of other departments requesting increased payments for salary adjustments?

Mr. Bill Matthews: That's part of it, those essential votes. I'll just run through them because we don't bump into them a lot

There's something called vote 5 that is government-wide contingencies. It was, if I recall correctly, not used at all last year, so the whole amount lapsed. That's fine. That's only there if we need it.

Vote 10 is government-wide initiatives and it's small money if there's any kind of government-wide initiative we want to fund departments for.

Then you're into compensation adjustments, which is vote 15, and that's the one we spoke about earlier.

Then you have two votes related to departments' abilities to carry forward funds. For operating dollars, departments can carry forward 5% and for capital they can carry forward 20%. The maximum amounts for the whole government are included in those central votes. They're very much based on what requests the departments make.

You have the public sector insurance vote, which is vote 20. Treasury Board Secretariat functions as the employer for the whole of government, so that insurance money is in there.

Last is vote 30, which is the pay list requirements. Those are things like benefits related to maternity, etc., that drive some of our compensation costs.

Those central votes depend on government-wide trends and they're not specific to the operations of the department.

Mr. Bernard Trottier: Thank you, Mr. Matthews.

The other important and interesting part of the departmental performance report is the performance indicators. There's one thing about controlling expenses, but you're also obligated to meet certain targets. One of the refreshing things I saw in this year's departmental performance report for the Treasury Board Secretariat is that you missed some targets. To me this is refreshing in the sense that I've looked at some of these reports in the past—not just Treasury Board, but other departments—and they seem to hit 100% of the targets, which suggests the targets weren't aggressive enough in some cases.

I notice there was a target that was missed in this case, just one. Maybe you could comment on it. It was under the area of program 1.3: expenditure management, which is on page 25 of the version of the DPR that I have. It says, "Per cent of organizations whose year-end expenditures are within the targeted range of planned expenditures", and there's a targeted range of 15%. You had 80% of organizations that would hit those targets, but only 70% did. I'm wondering, what are the consequences when organizations don't hit their expenditure targets? Does this affect variable compensation for deputy ministers or associate deputy ministers, and so on?

Mr. Bill Matthews: There are a couple of things here. From a parliamentary perspective, departments cannot exceed the amount that Parliament has voted for them. If you have a department that exceeds its votes, there would be significant consequences depending on the reasons why.

In this case this is one of the best practices cases. You've touched on performance measurement, which is a challenge in government. It's a big challenge for central agencies, so we're using this as a proxy to say, "Okay, are we giving departments the right tools and guidance to help them plan and forecast their spending?" At the end of the day, it's the departments that manage their own budgets, so this is an indicator that we've put out there to help us decide if we're doing enough to help departments or not.

Are there consequences for not being there? No. This is more of a best practice type of thing. Departments take note of it, try and do better, and then we look at ourselves and say, "Okay, are we giving departments the right guidance and tools they need to properly spend their spending?"

[Translation]

The Chair: Thank you, Mr. Trottier.

The floor now goes to Mrs. Day, for five minutes.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Thank you, Mr. Chair.

My thanks also to the witnesses for joining us today. Their attendance is much appreciated and all too short.

My questions are about VIA Rail. I do not have the appropriate page numbers because I do not have the copy in my hands. So I will let you handle this question. In the future, the people who provide the notes for us could perhaps give us the corresponding page numbers in case we have to refer to them when we ask questions.

For VIA Rail, you have a request for \$148.6 million in supplementary adjustments. That new money is intended for projects in 450 communities. These are capital projects like the enhancement of passenger cars, signalling systems and tracks. I will stop at that last point. Does VIA Rail own the tracks in Canada?

• (0915)

[English]

Mr. Bill Matthews: My recollection is that it's actually CP that owns the rails and VIA leases them from CP, so I believe there's a charge there. That's my recollection; VIA is not the owner of the rail track itself.

That being said, this funding goes, as I believe I mentioned earlier, and as you've touched on—

[Translation]

Mrs. Anne-Marie Day: Excuse me, can you tell me which portion of the \$148 million will go to improving the tracks, which, by the way, are in very poor condition?

[English]

Mr. Bill Matthews: As far as I know, this funding is for passenger cars, signalling systems, and things like that. I'm not aware of anything on track. I believe that's outside.... I'm looking to Marcia....

Ms. Marcia Santiago (Executive Director, Expenditure Management Sector, Treasury Board Secretariat): There is some amount in this for track improvement, but we don't have a precise figure for that. We can get that.

[Translation]

Mrs. Anne-Marie Day: I would like to know those numbers.

In Quebec, I think that VIA Rail leases the tracks from CN. Since CN is a private company, are we to understand that public funds will be transferred to private companies to repair the tracks?

[English]

Mr. Bill Matthews: The funding that would go to VIA—and I'm sorry, I believe I said CP earlier, but I think I'm dating myself here; it is CN. Thank you for that.

VIA would have two choices. They could fund the repairs themselves, or they could in theory decide to give that money to another organization to do the repairs. That's a better question for VIA to answer in terms of how they're going to spend those funds and whether it would be themselves or through another organization.

[Translation]

Mrs. Anne-Marie Day: The question I am asking is about the amount going to track repair, the amount that Ms. Santiago has to get for us. If I understand correctly, that means that VIA Rail leases the tracks and, on top of that, pays to repair them. Is that really the case?

Mr. Bill Matthews: That is a choice that VIA Rail has.

[English]

If VIA actually owns part of the track or if they're funding this through their arrangement with another organization.... We'd have to do a follow-up to see what percentage of the funding actually relates to rail repair and who owns the rail. We'll do both.

[Translation]

Mrs. Anne-Marie Day: Still in the section on VIA Rail, it mentions small stations and renovating stations, small or large. Are there any plans to shut down or abandon any stations in the next budget?

[English]

Mr. Bill Matthews: To my knowledge, this is based on repair for existing train stations. This is not funding to abandon existing stations; it's about repairing their existing asset inventory. To my knowledge, there's not any funding in here that is related to decommissioning of train stations.

[Translation]

Mrs. Anne-Marie Day: So can we conclude that no additional stations will be decommissioned, as has been happening for several decades?

[English]

Mr. Bill Matthews: That's a better question for VIA in terms of what they've done for their operational plan. As I said, there's no funding in here related to decommissioning, but I can't speak to what has been done in the past.

[Translation]

Mrs. Anne-Marie Day: I also see that improvements to infrastructure are planned. What infrastructure is that?

[English]

Mr. Bill Matthews: This would be the categories around passenger railcars, the stations themselves, and signalling systems on the rail lines themselves. Those are the big three that I would highlight for you.

[Translation]

Mrs. Anne-Marie Day: So there will be improvements to infrastructure and stations.

[English]

Mr. Bill Matthews: Under those three categories, yes.

[Translation]

Mrs. Anne-Marie Day: Thank you.

I would like to talk to you about something that Pat Martin—

The Chair: You have five seconds left.

Mrs. Anne-Marie Day: How many seconds?

The Chair: Five.

Mrs. Anne-Marie Day: Thank you, Mr. Chair. I will wait for the next round.

The Chair: Okay, thank you.

Mr. O'Connor, the floor is yours, for five minutes.

[English]

Hon. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Matthews, the Treasury Board is requesting \$151.7 million essentially for salary increases, yet over the last few years, my recollection is that thousands of positions have been eliminated from the government and every time you eliminate positions, you're saving money.

I don't want to do the estimate, but we're into hundreds of millions of dollars saved on salaries, etc. Why do we have to provide another \$151.7 million, when you've already scooped up hundreds of millions of dollars?

Mr. Bill Matthews: There are a couple of points to make here.

The member is quite right that there were reductions made. The biggest one I would highlight is budget 2011 where there was a goal set of \$4 billion in reductions. Those reductions were achieved and departmental budgets were reduced. So we took that money away from departments.

Now, life goes on; there have been new collective agreements and some wage increases, and if I was to generalize across the board it's about 2%. We we're funding departments for those wage increases. We take money away when we make reductions, and their budgets were reduced. When there are increases that departments are not asked to fund themselves, we give them funding basically to hold them whole and keep them harmless for those wage reductions for the last year.

Had we not taken away and reduced their budgets, you'd be quite right that they could actually absorb it, but the fact is that departmental budgets were reduced significantly because of the exercises. Based on the latest round of negotiations from last year, we're putting some money back into their votes.

• (0920)

Hon. Gordon O'Connor: My next question has to do with the Manuge class action lawsuit.

How much money is involved in this? How much money does the Government of Canada have to pay out and where are we in the process? How much money has been paid out?

Mr. Bill Matthews: This is the second and final piece. There was a big piece last year in supplementary estimates (B). Maybe I'll ask my colleague to see if she can dig out that number. This represents the final payment of \$190 million. The \$50 million is actually the final negotiated piece around the cost of living adjustment. Then the \$140 million is actually to reimburse the insurance company, because they basically flowed the funds in advance.

As to the total value of the settlements, maybe we can get back to you in a few minutes with that, because I'm sure we have it here somewhere and this is the last piece.

Hon. Gordon O'Connor: My third question has to do with Heritage. I see there's a commitment of \$65 million for three facilities in Toronto.

Do you know how much money the Government of Canada is committing to the Pan Am Games? Is \$65 million what we're committing, or is that just a portion?

Mr. Bill Matthews: The \$65 million is the portion that's in supplementary estimates (B). There have been other funds flowed for that event. The \$65 million in this case relates to three facilities: University of Toronto, York University, and the velodrome in Milton. That's what this money is for. There may have been some other funds committed in total, but this is just this piece.

Ms. Marcia Santiago: I have the figures for Manuge. Last year we paid \$939 million, so with this \$190 million, it brings the total up to \$1.1 billion.

Mr. Bill Matthews: That will be the final.

[Translation]

The Chair: Thank you for those comments.

The floor now goes to Mr. Easter, for five minutes.

[English]

Hon. Wayne Easter (Malpeque, Lib.): My congratulations to Mr. Matthews on being the Comptroller General of Canada. I imagine it's an interesting job at times.

With regard to your presentation, you and your people did a good job of drawing out a lot of the areas in a fairly understandable fashion, so I appreciate that.

One thing that isn't in here, though, and I'm wondering if you have that information available or can get it for us, is the lapsed spending, the spending that was budgeted.

I can tell you in my critic area, which is public safety, CSIS is lapsing \$18.2 million; RCMP is lapsing \$158.6 million; Correctional Services is lapsing \$166.7 million; Canada Border Services Agency is lapsing \$194.2 million.

In a time when we're talking security, we find these lapsed moneys. Do you have anywhere a total number for the lapsed money in the budget and in what areas they are in? I'm not saying you have to answer that now, but if that information can be made available to us, I'd like to see it in total.

Mr. Bill Matthews: Sure, I'll give it a shot.

Where you will actually find lapsed funding, and this will get a little complex, is in the Public Accounts of Canada, which I did happen to bring along. Volume II will give you department-by-department lapse.

There are a couple of points on lapse, though. Number one, you can't overspend your money, so some degree of lapse is actually normal. If a department got within 33¢ of their votes, that's a signal they're running too close to the line. That is why we allow departments to carry forward 5% of operating and 20% of capital. There's no such automated mechanism on grants and contributions. That's an important point. There's no automated rollover of unspent grants and contributions money. The lapse, when you're looking at it, you really have to look at what was driving it. So, we differentiate. The total lapse government-wide, to answer your question, was \$7.3 billion. That's down 28% from the previous year.

But I'm more interested in something we call the net lapse, which is the unplanned lapse. That's basically, when we look at... Departments are given ceilings that they have to respect. Partway through the year, they might come to us and say that a project is behind schedule and they'd like to see if they can move that money from the current year to the next fiscal year. The Department of Finance would think about it and say yes or no, but usually yes. Then they would come to Parliament to be re-voted on the next year, because Parliament votes on an annual basis.

The net lapse is about \$4 billion, \$3.9, and that's down 13% from the previous year. That net lapse—and this is the most important point I think I'll leave you with—93% of that lapse is driven by grants and contributions and the central votes that I mentioned earlier. It's quite normal to have high lapses in the central votes because you've got things like government-wide contingencies. If we don't need it, we don't need it.

For the grants and contributions vote, two departments in particular made up \$1.1 billion of it and it's quite understandable when you think about it. It's Infrastructure Canada which is involved in negotiating agreements with provinces and municipalities. They often slide so they're always a high lapser and that's just to be expected. Then the other department I would highlight for you is Aboriginal and Northern Affairs Canada, again, for the same reason. They're often involved in negotiations with first nations and those things do tend to slide as well.

The operating dollars which I think people are quite preoccupied with, the whole of government, departments lapsed less than their 5% carry forward, so on the whole they were within the 5%. Now, on an individual basis, some were above the 5% and some were below, but that's kind of where we sit.

• (0925)

Hon. Wayne Easter: Thank you very much. I appreciate that. I think each and every one of us in our own ridings would have at one point or another had an infrastructure program lapse and worried about whether the money was going to carry through to the next year.

On Mr. O'Connor's question on salaries and the cutbacks and the loss of jobs, I'll lay it on the table. One of my huge concerns is that I always find that when there are cutbacks, regardless of the political party that's in power, Ottawa tends to look after itself and the outlying regions seem to be the ones that take the brunt of the cuts in the front-line service workers. In my humble opinion, I think we have far too many managers and not enough workers. Is there any way you could give us a comparison in terms of—and it's related to

Mr. O'Connor's question—the total salary for the public service managers and front-line workers in say, 2011-12 as compared to today? I understand completely why you're asking for more money, because those decisions that were made dropped off and we're now back to normal. But I hear that there's 20,000 fewer public servants and you hear all different kinds of different numbers in moneys.

Is there any way of getting a comparison between total salaries for the federal government employees of the public service in say 2011-12 and this year?

Mr. Bill Matthews: We can get you 2011-12 versus 2013-14 for certain. Just to maybe touch on parts of your question, I don't have the comparison with me but we can certainly get that. The 20,000 jobs eliminated that you were referring to was as a result of the deficit reduction action plan. Of those 20,000 we did some analysis on the reductions by province. You did touch on the regions versus Ottawa itself. The percentage distribution of jobs before and after those reductions was the same. So, actually, Ottawa was treated the same way as the rest of the country. It was an even distribution of the reductions. I can tell you that in the national capital region alone, 7,700 jobs were eliminated. Before and after those reductions, the distribution by province was the same.

We'll have to get back to you on the wage bill. I may have it here. I don't think I do, but if I do, I'll...

[Translation]

The Chair: Thank you, Mr. Easter.

Given that several people have asked for items of information, may I ask you to send them to the clerk? In turn, he will be happy to pass them on to the members of the committee.

Mr. Maguire, you have five minutes.

• (0930)

[English]

Mr. Larry Maguire (Brandon—Souris, CPC): I appreciate your presentation, Mr. Matthews, and congratulations as well.

In regard to a comment about comparisons between various years, can you explain some of the differences between the 2014-15 supplementary estimates (B) and the 2013-14 supplementary estimates (B)? I see most of the mains and the proposed.... There's quite a variance in some of the supp (B)s and I wonder if you could explain that somewhat for me.

Mr. Bill Matthews: Sure. It's an interesting question. Hopefully, I can give you an answer that makes some sense.

As I mentioned, supplementary estimates (B) are always our biggest. The reason for that is you have a budget in February. Supplementary estimates (A) follow close on its heels, and often there's not enough time to get new budget initiatives into supplementary estimates (A). In supplementary estimates (B), you're starting to see some of the new budget things come about.

When you look at supplementary estimates (B) for the current year, the figure is lower than last year's. Last year we were at \$5.4 billion in supps (B) and this year we're certainly under that. I would like to highlight for you that last year's was unusually large. I'm talking whole of government here. The reason last year was so large was disaster financial assistance, \$700 million, which if I remember correctly related to the Alberta floods. That was a big chunk of money there. Manuge would be the second piece, which we talked about earlier today. Aboriginal Affairs had a large out-of-court settlement last year. That's why last year's was so big.

If you compare the current year, 2014-15 to 2012-13, those numbers are very much in line, but I don't get too fussed by the amount of supplementary estimates (B), because when you look at year to date, that's kind of a more interesting total, and the trend is that voted appropriations are going down, largely to do with the reductions the government has made, while the statutory continues to go up.

The reason I say I don't get too fussed about supplementary estimates (B) from one year to the next is that sometimes you have a program that expires and it doesn't get renewed in time to make it to the main estimates. The program is renewed, but it missed the main estimates cycle.

To give you an example, a couple of years back we had the RCMP policing program that is done with the provinces and municipalities. It didn't make it into the main estimates because the deal wasn't basically done in time, so you saw a drop in RCMP in main estimates. Then lo and behold, you come along to supplementary estimates and there's a large spike in RCMP. It was because that program was extended and it was simply a matter of waiting until that deal was reached.

I think it's more relevant to look at the total year to date, which you have asked me to do. I think I've made it clear that the voted number is going down largely because of the reductions that are in play. That's not to say there are not some major items in supplementary estimates (B), but I think we've touched on those.

Mr. Larry Maguire: Thank you.

A corollary to that and to add some more to it, you're right that the proposed numbers at the end of the year are fairly even. Thank you for the description of the differences there.

In regard to the statutory and the voted expenditures, there are some differences there as well. Are both of these items included in supps (B), and if they are, can you give an example of each from this year's supps (B)?

Mr. Bill Matthews: For members who may not be familiar with the terminology, statutory spending is the spending that is directly through legislation, where we don't actually put a hard cap on the spending.

A good example is the EI program. If you qualify for EI, you get a cheque—I guess you get a direct deposit now, not a cheque. That's in legislation. We do our best to forecast those numbers. The same goes for the old age security payments. For departments, basically, we spend what we spend, and that's the way the program works. Voted expenditures means departments have to respect the limits there.

The increases in statutory spending, and it's an increasing trend in terms of statutory spending going up, is largely around the legislated increase to the Canada health transfer, which is a significant increase, as well as the demographics for our aging population. We're having higher increases in old age security programs driving those numbers. Those are the two things I would highlight for you there.

In terms of specific adjustments to this year's statutory forecast that we're making in supplementary estimates (B), Finance has shared with us that their initial estimate for interest expense for the year is now lower because long-term interest rates have stayed low, as well as the softwood lumber payments that they're now forecasting at zero, largely because of the U.S. housing market.

For voted, I think I would refer members of the committee to slides 6 and 7 to get a sense of the major items, and I think we've been through them all. The one I would highlight for you is the Treasury Board Secretariat compensation adjustments, just because it's a central vote that's going out to departments, and we've already touched on it. We hadn't seen that for a couple of years because of the operating budget freeze, or at least not to this extent.

● (0935)

[*Translation*]

The Chair: Thank you, Mr. Maguire.

The floor now goes to Mr. Ravignat, for five minutes.

[*English*]

Mr. Mathieu Ravignat: Just to go back to the \$652.2 million for National Defence, I don't know if you have these details or you can provide them to the committee, but I'm just wondering what aircraft or light armoured vehicles will benefit directly from the funding for fleet maintenance.

Mr. Bill Matthews: I can speak to some of this. The aircraft in question is the Chinook 147. That's the funding I'm aware of for the aircraft. In terms of the armoured vehicles, I'm not aware of which class is involved, but I believe they're personnel carriers. I don't have any information on what class of vehicle they are though.

Mr. Mathieu Ravignat: Do you know what specific frigates are involved?

Mr. Bill Matthews: It's the Halifax class frigate for sure, but I'm not a navy guy, so I apologize that I don't really know much detail.

Mr. Mathieu Ravignat: Neither am I, and I thank you for that level of detail.

On another subject, the estimates show a further \$80 million for remediation of federal contaminated sites, but at the same time, public accounts show that the total federal liability for the cleanup is around \$11 billion. In my opinion, this is mainly because of poor oversight and response with regard to these increasing contaminated sites. They're throwing \$80 million at an \$11 billion problem, so what is going to be accomplished with that meagre amount?

Mr. Bill Matthews: That's an excellent question. I would say a couple of things on contaminated sites. The size of the liability, which the member has mentioned, is important. Understand that when we look at public accounts—and we do have to compare these two numbers—when we get a sense of the environmental liability and agree that the government is responsible or has assumed responsibility, we put a liability on the public accounts. That's important information for the public. So \$11 billion is the right number.

I would highlight for members that some of our biggest liabilities were not actually caused by the government. They're liabilities the government has assumed because the private sector may have walked away. Giant mine or Faro mine up north are two of our biggest. There's an interesting history around those ones. When we look at supplementary estimates (B), this is an additional amount that's being spent across nine departments, and there's a mix of what will be accomplished by that. One is actual remediation. You'll appreciate that the remediation occurs largely during fair weather seasons. It's hard to remediate sites in winter in some of our more northern climates, but there are also ongoing assessments. I will highlight for members that when we book environmental liabilities, they can fluctuate as we get more information. So part of that \$80 million goes to assessing sites that have been identified but for which we haven't really landed on a detailed plan about how it's going to be cleaned up.

To give you an example, if you're in a remote area—

Mr. Mathieu Ravignat: I'm sorry to interrupt you. So none of this money is going to actually do the cleanup?

Mr. Bill Matthews: No, there is a mix. Some is going to assessment and some is going to cleanup. It's both, but I did want to highlight that some does go to assessment.

Mr. Mathieu Ravignat: How much of that goes to assessment?

Mr. Bill Matthews: I think about 15% to 20% is the norm.

Mr. Mathieu Ravignat: It's 15% to 20% of the \$80 million; so already we're dealing with a very small amount and then we're going to channel some of that amount to study.

Mr. Bill Matthews: It's going to go towards figuring out the plan for the ongoing assessment, because to clean these up, you kind of have to keep things in the pipelines. You need the ongoing assessment, the more detailed assessment, while you're cleaning up

other sites. Otherwise you kind of dry up in terms of sites you can remediate. There's a mix.

Mr. Mathieu Ravignat: Fair enough.

Thanks for that.

[*Translation*]

The additional amount include \$56 million for operating expenses under vote 1b and \$80 million in capital expenses under vote 5b. I just wanted to give you the reference.

Elsewhere in the supplementary estimates (B) 2014-2015, there is an internal transfer of \$255 million between the operational expenses vote and the capital expenses vote, specifically for fit-up and capital leases related to the implementation of a common definition for the capital expenditures vote.

My question is very specific: which capital expenses will the \$80 million requested be used for?

● (0940)

[*English*]

Mr. Bill Matthews: This is an interesting question.

[*Translation*]

I assume that you are talking about the Department of National Defence, correct?

[*English*]

Transfers between votes have to be approved by Parliament. This transfer actually relates back to an Auditor General recommendation from about two or three years ago. The Auditor General recognized that departments have capital votes and operating votes, but they weren't being consistent in terms of what got charged to their capital vote versus their operating vote. We wanted consistency on that front. The government took note of that recommendation and made the definition for capital vote the same as it is for accounting. That actually created clarity in the definition. That meant some departments had money that in previous years they were charging to their operating vote while really, under the new definition, it was capital. That's why you're seeing this transfer here: to conform to the new definition. DND has money in one vote that basically, under the new definition for capital, they have to move to the other.

I can't answer your specific question about which capital projects are involved, but this is really about cleaning up and making our practices consistent.

[*Translation*]

The Chair: Thank you, Mr. Ravignat. Your time is up.

The floor now goes to Mr. Adler, for five minutes.

[English]

Mr. Mark Adler (York Centre, CPC): Thank you, Mr. Matthews and Ms. Santiago, for being here today. I have a couple of questions on the statutory expenditures on slide 10, in particular going first to the decreases.

The interest charges are \$329.7 million. That's for servicing the public debt. Correct?

How does that relate to the year before? Do you have that information?

Mr. Bill Matthews: I can give you something.

That is the amount we're decreasing the forecast by. The actual interest charge on public debt, from the public accounts in 2013-14, was \$28.2 billion in total. That's the total amount of actual expenditure in 2013-14.

This change in supplementary estimates (B) for the Department of Finance is indicating that they're decreasing their forecast by \$329.7 million, and I'm hoping my friend Marcia has the total for us.

Ms. Marcia Santiago: The total forecast as of this point in the year is \$26 billion.

Mr. Bill Matthews: It's \$26 billion forecast, versus last year's \$28.2 billion.

Mr. Mark Adler: That's because, I suspect, the yield curve has shortened.

Mr. Bill Matthews: It's related to both long-term and short-term interest rates, but it's largely that long-term interest rates are staying low. You may recall that when the Department of Finance puts together its budget, it bases its interest rate forecasts on a survey of private sector economists. It redoes this periodically. The latest survey results show that they're expecting long-term interest rates to stay lower than we thought, and that's what is—

Mr. Mark Adler: —reflected here. Thank you.

I want to move on to the disbursements to the provinces under the softwood lumber agreement. Eighty million dollars will be transferred to the provinces. I'm wondering what the criteria for determining that amount are based on.

Mr. Bill Matthews: Again, this is a decrease. We're actually forecasting that no money will be transferred to the provinces. Initially, Finance was forecasting that \$80 million would be transferred under the agreement. Based on the forecast price of lumber, we're now forecasting a decrease of \$80 million, which brings us to zero.

The criterion basically in play here is a formula. If you follow the U.S. housing market and lumber prices, when the price drops below \$355 U.S. per 1,000 board feet, this agreement will kick in. That is what is driving this: they looked at the housing market in the U.S., at current prices and forecast prices, and they're forecasting that the price will stay above that amount of \$355 U.S., meaning that there will be no need to actually pay anything out.

Mr. Mark Adler: In the event that it does increase above \$355, there's an uptick in U.S. housing....

Mr. Bill Matthews: If it drops below \$355 U.S., then there's a formula by which the Government of Canada would basically settle up with the provinces.

This is just their best estimate at the time. At the current time we're forecasting none, but if the price drops, then....

Mr. Mark Adler: Thank you very much.

Moving to the payments to International Development Association of \$441.6 million and the decision to replace—this is a new way of doing it, as you indicated—demand notes that were previously used, is there any indication for the change? Was there an issue with the demand notes?

●(0945)

Mr. Bill Matthews: There wasn't a real issue from my perspective. This is just a bit of speculation, but demand notes are great if you're not really sure whether the money is going to be used: you put it out there, and if you need it, you need it. If you're pretty certain that they're going to require the money, you might as well just flow it. So from my perspective, this is simpler.

Mr. Mark Adler: Okay, I understand.

I'm also curious about the establishment of the Canadian securities regulation regime, and the \$115 million. Is that \$115.82 million to run the transition office, or...?

Mr. Bill Matthews: No, it's actually.... That's an interesting question. Those are payments to two provinces that have agreed to effectively come on board. This represents one-time payments to Saskatchewan and New Brunswick, which are now part of this initiative. They have basically been funded on a one-time basis to acknowledge that they are now part of this process.

Mr. Mark Adler: B.C., Ontario, and P.E.I., which had agreed—

Mr. Bill Matthews: —previously, I believe—

Mr. Mark Adler: —were previously paid out. I see.

Thank you very much.

[Translation]

The Chair: Thank you, Mr. Adler.

We are back to Mrs. Day, for five minutes.

Mrs. Anne-Marie Day: Thank you, Mr. Chair.

Mr. Matthews, the Treasury Board Secretariat asked for \$74.9 million under vote 1a in relation to an out-of-court settlement. Pat Martin asked if that was in connection with Royal LePage. You said that the case was before the courts and so you could not talk about it.

However, you said, and I quote: "At a subsequent meeting, I'll be able to offer up additional information on that front."

Could you tell us about it now?

Mr. Bill Matthews: Yes.

[English]

Yes, I can. It has nothing to do with Royal LePage. It was, if I recall correctly, the White case. We knew what the amount was in supplementary estimates (A) but it hadn't been quite ratified by the courts yet. That has now been done and it relates to the White case. That matter is now wrapped up.

[Translation]

Mrs. Anne-Marie Day: Can you tell us if it cost \$74.9 million, as vote 1a indicates?

[English]

Mr. Bill Matthews: The amount ratified by the courts was exactly what had been agreed upon by the parties. So it was an exact amount.

[Translation]

Mrs. Anne-Marie Day: Have you provided for any other out-of-court settlements for matters that are presently before the courts?

[English]

Mr. Bill Matthews: There are many items before the courts. Actually, a very popular thing to do is to sue the government. Am I aware of any, at this moment, that will be coming back to you in supplementary estimates (C)? No, I'm not. That being said, there are many lawsuits in play.

One thing I would maybe highlight for the member is that in volume III of the Public Accounts they actually publish claims against the crown. It's actual payments that are made out for all the settlements. You can get them by department. It's after the fact but if it's an area of interest. You can find it. In the current year of 2014-15, you would see the White case show up as claims made against the crown for payments. It's a good way to track the settlements.

[Translation]

Mrs. Anne-Marie Day: The Administrative Tribunals Support Service of Canada, serving 11 organizations, was supposed to be up and running on November 3, 2014.

Is it up and running?

[English]

Mr. Bill Matthews: The organization is now part of our supplementary estimates (B). In terms of is the organization actually up and running and providing these services yet, I'm not certain.

Ms. Marcia Santiago: The services are continuing in the organizations that were originally providing them. I understand that the transition is going to be slow, but it's expected to be done by the end of the fiscal year because, as Mr. Matthews said, we are establishing the vote for the new organization in supplementary estimates (B). The order in council only came out a few weeks ago, so I'd imagine there will be a lot more work done between now and the end of the fiscal year.

[Translation]

Mrs. Anne-Marie Day: The supplementary estimates show \$1 for that office. Is that normal? Where does it get its money from?

[English]

Mr. Bill Matthews: It's normal if we have to change the vote wording of something or add a new vote, things like that, but there's

no actual money required. We can't put zero dollars. It's in the rules of the estimates that to basically make it into the appropriation act, we need a one dollar amount. So if we're changing the wording of a vote, we will use one dollar just to effect that change.

• (0950)

[Translation]

Mrs. Anne-Marie Day: How much time do I have left, Mr. Chair?

The Chair: You have one minute and 10 seconds.

Mrs. Anne-Marie Day: Very good.

I would now like to bring up another matter with you, the F-35s.

Could you tell us which independent expert has been hired to provide impartial advice to the National Fighter Procurement Secretariat's decision-making?

[English]

Mr. Bill Matthews: I don't recall what was the firm involved. That's a better question for National Defence to answer because I'm not too close to that process.

[Translation]

Mrs. Anne-Marie Day: In that case, Ms. Santiago, could you find us the cost, the kind of expertise this expert has, and what he will be paid, so that we can find out how much this has cost us?

[English]

Mr. Bill Matthews: Is this a question about an independent third party in terms of the review that was done for the F-35 and you're curious about the amount of the contract? I just want to make sure I have the question correct. Is it the name of the firm and the amount of the value of the contract?

[Translation]

Mrs. Anne-Marie Day: I would like to know what expertise the firm has, the salary that has been paid, and the cost of the contract.

[English]

Mr. Bill Matthews: I can certainly find out the value of the contract and the name of the firm. The actual questions around why they were chosen I think are probably better answered by DND, but I'll get the first two for sure.

[Translation]

The Chair: Thank you, Mrs. Day. Your time is up.

Mr. Hillyer, the floor is yours, for five minutes.

[English]

Mr. Jim Hillyer (Lethbridge, CPC): On page 10 of your slides, it talks about the incentive for provinces to eliminate taxes on capital. I assume that means that if the provinces do eliminate taxes on capital, they get the funding.

Do they get some funding if they only reduce taxes on capital, or do you know?

Mr. Bill Matthews: My understanding is that the arrangement with the government is that if they eliminate taxes on capital, they receive compensation from the federal government. My understanding is that if they just reduce, there is nothing in play. It's eliminate. The amounts you're seeing here are for the Province of Quebec and for the Province of British Columbia to acknowledge their elimination of capital taxes. It's \$95 million in total. Roughly \$90 million went to the Province of Quebec and \$4.9 million went to the Province of B.C. I'm going from memory here, but I think B.C. may have received something previously on this amount, but that's my memory.

Mr. Jim Hillyer: Okay, so other provinces had already received something before these estimates.

Mr. Bill Matthews: Have they already received? Yes.

Mr. Jim Hillyer: On page 7, it talks about Parks Canada receiving money for improvement to highways, bridges, and dams.

Do you know if there were particular projects in mind, or if each particular part needs to apply if they have things in mind? What's up with that one?

Mr. Bill Matthews: From a parliamentary perspective, Parks Canada gets a bucket of funds that they can distribute across various projects. In putting together their request, Parks Canada looks at their current infrastructure, which items are in need of repair, and also what they think they can accomplish during the current fiscal year, because there are limits to what you can do. For this \$57.6 million request, Parks Canada has an idea of what specific projects they will spend it on. Two I can mention for you are the Crowe Bay dam and the Glacier National Park highway, but there are many others.

That being said, I want to make it clear that if circumstances change and project A is not doable, they may have another project lined up to replace it, but the actual request of \$57.6 million was based on a specific list.

Mr. Jim Hillyer: And it's a change from the original—

Mr. Bill Matthews: This is additional funding for this.

Mr. Jim Hillyer: Okay.

I have another question. Your presentation talks about 63 organizations being covered under these estimates. Why are there some organizations that aren't listed?

Mr. Bill Matthews: This is directly related to how estimates work. When we get the main estimates, which is how we start the year, any department that is going to spend money, which is all departments, would be on that list. As the year goes on, if departments get Treasury Board approval to spend new money and indicate they are capable of spending it this year, because we do resource departments year by year, you come into supplementary estimates. Supplementary estimates (B) is our biggest, but there are certain departments that had no items where they were requesting additional funds, so they are not included here. This means that they're status quo.

● (0955)

Mr. Jim Hillyer: Could you also clarify what a horizontal item is?

Mr. Bill Matthews: The horizontal items—it's in the introductory section of the main estimates—are any items where multiple departments are receiving funding to achieve a common outcome.

I'll give you two examples. One is on the more complex side, and the other is fairly simple. The remediation of environmental liabilities and ongoing assessment involves nine departments, if I recall correctly. It's any department that is a custodian of a site, so Parks Canada could have environmental liabilities. National Defence does. That's a large effort. Then you have something as simple as CRA's implementing new tax measures. They need some IT help, which will be provided by Shared Services Canada. It's a very straightforward program with new tax measures, but there's an IT component that Shared Services Canada will get resources for.

Mr. Jim Hillyer: So horizontal items are funding that goes to more than one department for the same project.

Mr. Bill Matthews: Yes, the same project.

It's been a keen area of interest for this committee in the past. If you look to the introductory section of the estimates, you will see the list of all the horizontal items and also an indication of whether it has received money before. The first nations water and wastewater action plan has received funding in the past, and you'll get the history.

[*Translation*]

The Chair: Thank you, Mr. Hillyer. Your time is up.

The floor now goes to Mr. Easter, for five minutes.

[*English*]

Hon. Wayne Easter: Looking at page 6 in the slides, does the number for National Defence include the major shipbuilding contract for the Irving shipyard in Halifax? If so, where's that at? My understanding of the project is that by this time there was supposed to be ships coming off the line, yet there hasn't been any steel cut although the Irvings have completely built the yard, the buildings, to get the ships built.

My concern, and the reason I ask the question, is that although this major contract has been let and it's over a number of years, if there are delays in terms of the shipbuilding, it throws off the shipbuilders' estimates and where their profitability might be. I'm just wondering where that's at.

Mr. Bill Matthews: There are two parts to the question.

Is there money in here related to the shipbuilding project on the east coast with Irving? My understanding is that the answer is no.

Where is that project at? My understanding is that they are continuing to nail down the best design before they actually start to cut steel. I believe those discussions are ongoing. It's certainly not an area that I'm an expert in, but my understanding is that they're still nailing down the design before they actually start cutting steel.

Hon. Wayne Easter: I think the original intent was to have at least the first ship off the line by now, and we haven't cut any steel. So the money for some of it wouldn't flow, as I understand it. How does that work?

Mr. Bill Matthews: This again goes back to Parliament approving money on an annual basis. We have talked about reprofiles here, where a department says, “You know what? We initially thought we would spend that money in this year, but we’re not going to.” DND will be resourced for their expenditures related to those ships when they have a better idea of when the bills will come due. That’s when you’ll see the money flowing into DND’s reference levels.

That being said, DND has a fairly large allocation for capital projects. It’s a fairly big chunk of money there. They may be able to flow some money in advance of coming back for incremental resources, but the estimates themselves will be dependent upon an actual forecast of cashflow for the project.

Hon. Wayne Easter: As a last question on that point, in terms of the total expenditure for the product, \$25 billion or \$28 billion or whatever it is—I forget the amount, although Bernard might know it—if we are behind in the timeframe, as I’m told we are but I’m not 100% sure we are, then that unspent money wouldn’t work like it does in some departments, where the money would lapse and go back to the consolidated revenue fund. The money would just move ahead, if I can put it that way.

• (1000)

Mr. Bill Matthews: If it ever made it into DND’s reference levels, if they actually were going to spend money and said after they got the money, “No, we’re holding now”, because it is a year-by-year thing, they would actually have some capacity to reprofile money on their own. But if—and this is a theoretical answer—they needed more money moved from one year to the next, there would be a discussion with the Department of Finance.

I think Marcia may want to add something here.

Ms. Marcia Santiago: When a department doesn’t use all of its appropriation in a year, it actually does revert entirely to the consolidated revenue fund. What happens is that there are mechanisms through the appropriations that allow us to bring in a corresponding amount of money in the following year, or in whatever year they actually need the cash. But there is a conversation with the Department of Finance, because it is a new fiscal charge.

Hon. Wayne Easter: That’s the detail. Thank you very much.

On slide 10, and this is partly related to the question that Mr. Hillyer asked, it says “Incentive for provinces to eliminate taxes on capital \$95.0 million”. Can you explain what that means?

Mr. Bill Matthews: Basically, related to economic development one of the issues the government has been pursuing is to reduce capital taxes. Finance is better positioned to give you details on this, but there’s enough evidence that reducing capital taxes stimulates investment. There have been ongoing discussions between the Department of Finance and the provincial counterparts about eliminating their capital tax.

Hon. Wayne Easter: Okay, I follow you now.

Mr. Bill Matthews: If a province eliminates a capital tax, obviously the revenue drops, so we compensate them for that.

[Translation]

The Chair: Thank you, Mr. Easter. Your time is up.

[English]

Hon. Wayne Easter: Thank you.

[Translation]

The Chair: We are back to Mr. Trottier, for five minutes.

[English]

Mr. Bernard Trottier: I want to follow up on some of the horizontal items that you mentioned in your presentation. I’m trying to understand the mechanics of why you’re coming back to Parliament to request some appropriations for them. The ones I’d like to focus on are related to research and development.

On page 1–19 of the estimates themselves, you talk about funding to support the Centres of Excellence for Commercialization and Research. There’s an appropriation of \$20.277 million being requested.

On something like this, why is there a need to come back to Parliament in supplementary estimates (B) to request additional funds? It seems to me there’s a program that’s been laid out. What happens that you need to request additional funding at this time?

Mr. Bill Matthews: This funding for this organization was not in the main estimates, if I recall correctly, because they hadn’t been backed through Treasury Board. Sometimes the timing doesn’t line up. In the interim, Treasury Board has actually approved this program. We know who the award winners are. These organizations are now in a position to flow those funds. So it’s a timing issue.

Mr. Bernard Trottier: It’s a similar issue then with the genomics research, and you also mentioned the Canada excellence research chairs.

Mr. Bill Matthews: Yes.

Mr. Bernard Trottier: It’s just a timing issue. The program was started perhaps sometime in 2013—

Mr. Bill Matthews: Or even before, yes.

Mr. Bernard Trottier: —or even before then.

With regard to horizontal items, are they inherently more complicated to manage because they require coordination between departments and therefore it’s more difficult to control expenditures?

Mr. Bill Matthews: They’re not more complicated from a control perspective because we give each department their chunk of money. You may see partway through the year that departments will discuss it and say that they need to move money from department A to department B, and then they come back here for a transfer. We have many examples of that with Agriculture and the Canadian Food Inspection Agency. They move money between the two organizations to figure out who is best positioned to do something.

They're probably more complicated from a delivery perspective. They're more complex by their nature, and you have more coordination required. Some are like that. With others, every department is off just doing their little thing. If you think about the contaminated sites, National Defence is doing their remediation work and Parks Canada is doing theirs. That's not a coordinated project. With something like CRA and tax measures with Shared Services Canada, they're reliant on the IT services from Shared Services Canada, so you have to make sure that's all coordinated.

Mr. Bernard Trottier: Okay.

With regard to the initiative around genomics research, for example, I count eight different departments doing genomics research: Agriculture and Agri-Food, Food Inspection Agency, Environment, Fisheries and Oceans, Health, NRC, Natural Resources, Public Health Agency of Canada.

Operationally, are those departments actually working together, or do they get their separate allocations and then do their own siloed research?

• (1005)

Mr. Bill Matthews: There's discussion up front when they come forward with the initial proposal, so when they go to cabinet, to say who's doing what and how that fits together. Once that is done, now we're in the stage of departments getting their money and doing their thing. There is ongoing dialogue about whether we are getting results, etc. However, at this stage, it's very much that each department has a role to play; they'll spend their money.

Mr. Bernard Trottier: In the history of the estimates and appropriations, are horizontal items a new development?

Mr. Bill Matthews: They're not a new development; they're an increasing trend, for certain. The government has moved to things like Shared Services Canada, which is a shared services organization, so we have more horizontals. There are more of them, for sure.

It's also an area where parliamentarians have indicated they haven't been happy in the past with the level of information they were getting. They didn't see the horizontal initiatives, and they liked the idea of knowing that there was more than one department involved in this. It's something that we're providing additional disclosure on as well.

Mr. Bernard Trottier: You're saying it was done in the past; it wasn't necessarily reported and disclosed as a horizontal item.

Mr. Bill Matthews: That's correct.

Mr. Bernard Trottier: Are there more—?

Oh, sorry.

Ms. Marcia Santiago: Sorry, I was just going to add that the challenge with horizontal types of initiatives is that some are more easily defined than others.

The way we present horizontal items in the supplementary estimates... Our very specific and practical definition is that these are initiatives where all of these departments show up at the same time at Treasury Board for a very particular initiative. We can isolate them. There are these three departments for commercialization, or these nine for this instance of contaminated sites funding.

What's harder are the broader horizontal initiatives, big things like aboriginal programs or public security. Those kinds of things are much more complicated in terms of coordination and reporting to Parliament.

Mr. Bernard Trottier: What's driving the trend toward more horizontal items that you mentioned, Mr. Matthews?

Mr. Bill Matthews: There are two things I would highlight. One is just the nature of government and the projects it's undertaking. There are more partners involved. There is more collaboration. That's one thing.

The second, largely driven by some of the efficiencies that we're pursuing, is more centralization and common services organizations. Shared Services Canada is the best example I can give you of that.

[Translation]

The Chair: Thank you, Mr. Trottier.

[English]

Mr. Mathieu Ravignat: Mr. Chair, I have a point of order. I'm sure this isn't Mr. Matthews' fault, but it's rather disappointing that we come to this meeting this morning to learn that unfortunately, we won't have him for the full two hours and that he will only be present for one hour, if I'm correct.

The opposition have plenty of questions to ask him. We would like to have had the opportunity to do so. We'd just like to make known our disappointment with that happening. There are very few good reasons to confirm that he will be here for the full time, and then unfortunately not be able to do that.

[Translation]

The Chair: Thank you.

That is not a point of order, but I certainly take note of your comment.

I have a question for you too, Mr. Matthews. Let me use my prerogative as Chair to ask my question. On page 10 of your presentation, under statutory expenditures, you mentioned the establishment of a Canadian securities regulation regime and a regulatory authority, in the amount of \$115.8 million.

I would like to know why that expense is included under statutory expenditures when it is about establishing a securities regulator. As I understand the estimates process, that expenditure should have been in the voted items, not the statutory expenditures. Is there an explanation?

Mr. Bill Matthews: Thank you for that question. It is really interesting.

[English]

There are two things. First, this relates to payments being made to provinces directly, so it's \$115.8 million and these are one-time payments. That's money which is flowing directly to the two provinces. Most of the dollars we flow directly to provinces are statutory in nature. It's right in the legislation, not all, but most.

If we were to ever get to a stage where we had a federal department—I'm being hypothetical here—that was a Canadian securities regulator, which is hard to imagine because that would likely be an arm's-length organization, you would see their operating dollars voted. But the nature of this initiative is that we are paying provinces here, and quite frequently we see legislation that is statutory in nature to flow those dollars. The Canada health transfer is a good example. That is just the background on this.

If there is ever a Canadian securities regulator established, or when it is established, I don't expect it would be a government department. I can't imagine how that would work. I would expect that would be an arm's-length organization from the government.

The reason your question is interesting is that operating dollars for government organizations are voted. I suspect that's why you were asking the question, but it's just the nature of these payments.

[Translation]

The Chair: That is why I asked you the question. You are telling me that these are transfers to the provinces. I understand that answer.

Mr. O'Connor, the floor is yours.

• (1010)

[English]

Hon. Gordon O'Connor: I have an indication here that this meeting goes to 10:45. I don't know who is talking about a shorter meeting. Are we having a shorter meeting?

[Translation]

The Chair: Mr. Matthews is available until about 10:15 a.m. or 10:20 a.m. That is why the meeting cannot continue until 10:45 a.m.

[English]

Hon. Gordon O'Connor: Why did we—

[Translation]

The Chair: We only found out this morning that Mr. Matthews would be available until about 10:15 a.m. That is why it says 10:45 a.m. on the notice of meeting.

Mr. Bill Matthews: Mr. Chair, if required, I can stay until 10:30 a.m. But that is the latest.

The Chair: Thank you for that offer.

Mr. Ravnat, do you have something to add on that point?

Mr. Mathieu Ravnat: It is just that we cannot work like that. The committee called Mr. Matthews for the entire duration of the meeting. So it is Mr. Matthews' responsibility to make himself available. This is a matter of parliamentary privilege.

The opposition is very disappointed to find this out at the last minute. It would have been more acceptable if we had known beforehand. We could have prepared ourselves accordingly. I also see some consternation among other members who cannot ask all the questions they would like to have asked either. I do not know why Mr. Matthews cannot stay until the end of the meeting, but there are very few good excuses for his agreeing to be here for the whole time and then leaving 30 minutes before the end.

The Chair: Thank you for your comments.

Actually, one of the solutions could be to call another meeting to discuss any matters we do not finish. However, it will be difficult to ask Mr. Matthews to remain here because he has another important commitment. But I understand the committee members' views.

It is almost 10:15 a.m. Are there any other questions? We could sit for two more rounds if that would satisfy committee members. So Mr. Matthews will stay with us until 10:30 a.m.

Mrs. Day, the floor is yours.

Mrs. Anne-Marie Day: Thank you, Mr. Chair.

I am happy that we have the extension because I have a lot of questions to ask. We have so few opportunities to see you and to hear explanations about a budget that fills 400 pages; we have barely two hours.

Mr. Matthews, my next question is about airline safety. The Canadian Air Transport Security Authority is asking for \$84.6 million in vote 1b for enhanced non-passenger screening. I am wondering about the idea of non-passengers. Is this support staff, like cabin crews, baggage handlers, or people who deal with the animals being shipped? Could you shed some light on that for us?

Mr. Bill Matthews: Thank you for the question.

This really deals with people working for the airports and the airlines.

[English]

It's for airline staff, baggage handlers, and security staff themselves, anyone who works related to the airport. That's non-passenger screening. That's not animals. It's the actual staff themselves of the airlines and the related support services. This is directly related to beefing up the screening in those areas.

• (1015)

[Translation]

Mrs. Anne-Marie Day: They are people who provide services, I gather.

Mr. Bill Matthews: Yes.

Mrs. Anne-Marie Day: If I understand correctly, these services did not exist beforehand but are now being added. Is that correct?

[English]

Mr. Bill Matthews: No, they existed before, but there's an improvement here, or an increase, in terms of the number of people performing the screening, whether it's related to making sure they are cleared in a more expedient manner so they can get to their jobs or because there's a desire to improve the quality of the screening. I believe it's both. That's what you're seeing here.

[Translation]

Mrs. Anne-Marie Day: Can you tell me whether this addition brings Canada into line with the new International Civil Aviation Organization standards?

[English]

Mr. Bill Matthews: I'm not aware of any issues with the standards of the ICAO, but that's certainly not an area I'm an expert in.

Ms. Marcia Santiago: There are...[*Technical Difficulty—Editor*]...at this point. In fact, the funding in the supplementary estimates is in response to the increased standards that came into effect in July of last year.

[*Translation*]

Mrs. Anne-Marie Day: Mr. Matthews, if I understand this correctly, the additional amounts are not going towards increasing the security staff that checks passengers, but solely for enhanced non-passenger screening, as you said earlier.

Are new people going to be hired?

[*English*]

Mr. Bill Matthews: I'm going to ask if my colleague happens to know the answer to that question.

Marcia, you don't know or we're not certain...?

Ms. Marcia Santiago: I'm not certain.

Mr. Bill Matthews: We're not certain if there's new staff. We can follow up on that if it's of interest.

[*Translation*]

Mrs. Anne-Marie Day: Would it be possible to find out the breakdown of that \$84 million?

[*English*]

Mr. Bill Matthews: I'm not sure I have any additional information for you in terms of the allocation itself. I believe it's all operating dollars. I'm going from memory here.

Is it all operating...?

Ms. Marcia Santiago: Yes, but it's a crown, so....

Mr. Bill Matthews: My understanding is that it's operating, but it would be tough for me to get the additional details because it's a crown organization.

[*Translation*]

Mrs. Anne-Marie Day: In the various votes, there are requests for \$178 million for Fisheries and Oceans Canada and the Canadian Coast Guard's fleet renewal. Are the amounts requested for the Canadian Coast Guard fleet to be used for new projects or existing projects. Is this to pay additional unforeseen costs?

Mr. Bill Matthews: It really is for both. Work on detailed plans for the boats has already been started.

[*English*]

This is for the department itself, for ongoing engineering and design studies. This is for the ships that will be built on the west coast. We talked about ships on the east coast earlier. This is the west coast ships. That's money for the department itself.

There is money in here as well for the upgrade of the shipyard in Vancouver. One of the members spoke about the Irving shipyard on the east coast and that the upgrades have been made. This is similar work on the west coast, but it's ongoing.

The third piece here is a life extension of an existing vessel, the *Louis S. St-Laurent*, which is the heavy-duty icebreaker that the coast guard operates. It is going to be extended to 2021 while we wait for other ships to be built. There's some work required to make sure that

the *Louis S. St-Laurent* can actually do the required work, and it needs some upgrades, so those dollars are here as well.

[*Translation*]

Mrs. Anne-Marie Day: Could you tell us about the Atlantic and Pacific Integrated Commercial Fisheries Initiatives?

Mr. Bill Matthews: What page is that?

Mrs. Anne-Marie Day: We do not have the page numbers, unfortunately. It is still under the heading Fisheries and Oceans Canada. It is vote 10b, in the amount of \$32.2 million.

[*English*]

Ms. Marcia Santiago: The Pacific and Atlantic integrated commercial fisheries is a program that's intended to help integrate first nations and aboriginal fishing enterprises into existing commercial fisheries. It also supports increased accountabilities through increased management and enforcement. These initiatives began in the 2007 budget and have been sequentially renewed. This particular funding is to support first nations fisheries, as I mentioned, providing training and continuing to provide for voluntary relinquishment of non-aboriginal commercial fisheries access. It's also to improve catch monitoring reporting and enforcement focused in B.C., but may also be implemented across the country, and finally, to invest in bilateral and multilateral collaborative management processes to improve fisheries management and to address sustainability and conservation.

• (1020)

[*Translation*]

The Chair: Thank you for your answers.

The floor now goes to Mr. O'Connor, for five minutes.

[*English*]

Hon. Gordon O'Connor: Mr. Matthews, the Canadian Air Transport Security Authority is requesting \$84.6 million, and it's basically requesting it to deal with non-passengers. What does that category "non-passengers" mean?

Mr. Bill Matthews: That is the airline crew themselves, the baggage handlers, and airport staff. It's basically anyone associated with the workings of the airline but who are not passengers. That's a specific category. My colleague had mentioned that this funding is to help Canada conform to some new international standards in this area in terms of how non-passengers are screened. That's what the \$84.6 million is for.

Hon. Gordon O'Connor: It's a bit surprising we wouldn't have dealt with this already in the past. We're screening passengers all the time but we're not screening the crews and everybody else.

Mr. Bill Matthews: Well, no, we were screening the crews and everybody else. What's at stake here is that I believe there's been a change to the international standards, and if you want to operate airlines, international flights, etc., it's important that there be a consistent approach to how this screening is done among the various countries. As my colleague was saying, this is about conforming to international standards in this area, which I believe have recently changed.

Hon. Gordon O'Connor: Okay.

Transport Canada is requesting \$75.9 million basically for the replacement of MV *Princess of Acadia*. Where does this project stand now? Is the money flowing?

Mr. Bill Matthews: In terms of the money flowing, this project actually represents the money flowing. This is in the appropriation bill. If it's approved, Transport Canada will receive \$75.9 million so they can actually act on this transaction. This is to replace a ferry that runs out of Digby, Nova Scotia, which has reached the end of its useful life, so there's a replacement required. The money will flow after the supplementary estimates (B) so the deal can be finished.

Hon. Gordon O'Connor: My final question is on Parks Canada. They're requesting \$57.6 million for infrastructure. Is this higgledy-piggledy all over the place, or is it concentrated in certain areas?

Mr. Bill Matthews: This is a specific request for new money. The \$57.6 million request is based on a list of specific projects and, from a parliamentary perspective, it goes into Parks Canada's reference level. They have a specific list of projects in mind. I've mentioned two already, the Crow Bay dam and the highway in Glacier National Park, but there are many. The bulk of their work will get done during certain seasons of the year when it's more favourable to actually do remediation work. There is some work they can do over the winter, though, so that's what this represents.

I want to highlight that if they do run into a delay on one project, they have other projects as well, so there may be some interplay on the projects, but it was based on an initial list.

Hon. Gordon O'Connor: Okay. Thank you.

[Translation]

The Chair: Thank you.

Next on the list is Mr. Ravnat, from the NDP.

Mr. Mathieu Ravnat: Thank you.

I have to get out my questions, because I did not know I would be speaking. How much time do I have?

The Chair: You have five minutes.

Mr. Mathieu Ravnat: I would like to talk about Heritage Canada. We have talked about it before, Mr. Chair.

Heritage Canada is asking for \$65 million under vote 5b to provide an initial, multi-year contribution to the Toronto Community Foundation in order to encourage the public to participate in physical activity by supporting the operating costs of three facilities.

I have several questions about that.

How many years will the \$65 million requested be used for?

• (1025)

[English]

Mr. Bill Matthews: The games themselves are in 2015, so the money is required to get these venues in place for those games. Basically, we're looking at the current fiscal year as well as the next fiscal year. I believe there is some funding that will go to the organization for ongoing operations as well. I'm not certain how many years that will flow out, but the bulk of the money is for the actual construction piece.

[Translation]

Mr. Mathieu Ravnat: Can the program be renewed?

[English]

Mr. Bill Matthews: In terms of the construction facilities, I would doubt it, because this is a one-time.... Toronto is hosting some games and the money is for three facilities: the University of Toronto, York University, and the velodrome in Milton. That piece is one-time, and—I'm going from memory here—I think there's a little bit of funding for operating that goes with that as well. I wouldn't expect that to be ongoing, but that's speculation on my part.

[Translation]

Mr. Mathieu Ravnat: Okay.

Let us move to Parks Canada, which is asking for \$57.6 million. Which national parks and historic canals will be receiving these new infrastructures and repairs? That is what I understand the request is for, new infrastructures and repairs.

[English]

Mr. Bill Matthews: It's largely for existing repairs and upgrades to existing assets: highways, bridges, and dams. The money is spread across multiple parks. It's not one or two parks; there are a number of projects. I've mentioned two several times, but I don't have any additional examples. This is not a project that's specific to one or two parks; this is ongoing repair and maintenance of existing infrastructure, so it's across the whole inventory of parks.

Mr. Mathieu Ravnat: Is there no new infrastructure being built with this money?

Mr. Bill Matthews: I can't say there's none. The bulk of it is to repair existing...unless you have an existing asset that's in such disrepair it makes more sense to replace it with something new. But as far as I understand it, this is about replacing and repairing existing infrastructure.

Mr. Mathieu Ravnat: Okay, and there isn't a way of making a distinction between both of those?

Mr. Bill Matthews: I'm not sure how Parks Canada would manage that. They would have plans. I'm not sure if I could get you a list of whether something involves repairs or it's brand new. I don't have that at my disposal. It's possible that the department would.

[Translation]

Mr. Mathieu Ravnat: Okay.

Could you speak more generally now? As you know, this committee has studied the estimates, among other things. The report contained some recommendations.

How did you take those recommendations into consideration in this case?

Mr. Bill Matthews: Thank you for the question.

This committee has previously made a lot of recommendations on ways to improve the government's estimates.

[English]

I would highlight for you three things. First, where the greatest improvements have been made in response to recommendations by this committee is the upfront piece where you actually get to see the spending of the department in previous years which was a fairly new addition. Second is increased or improved disclosure around horizontals. Third, and we haven't discussed it here today, is the report on plans and priorities which go with the main estimates. It's the forecast of three years of spending out and explanations as to why actual spending was different than forecasted.

Those are the three main things I would highlight for you. There are others, but those would be the big three.

If I could add a fourth, it would be the database that was produced which again we haven't discussed today. When we first started, it was called the expenditure database. At the request of this committee, there's a database with spending and it's searchable, actual spending authorities, etc. It has been expanded to include HR information and other things, so it's now called the infobase and it goes well beyond financial stuff.

[Translation]

The Chair: Thank you, Mr. Ravignat.

Mr. Matthews, thank you for being here and for giving us clear and helpful information.

We wish you every success in your new position. We look forward to extending a welcome to your replacement.

Mr. Bill Matthews: Thank you very much.

The Chair: Our next meeting will be next Wednesday.

This meeting is adjourned.

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